

#### Members

Sen. Robert Jackman, Chairperson  
Sen. Brandt Hershman  
Sen. Johnny Nugent  
Sen. Allie Craycraft  
Sen. James Lewis  
Sen. Larry Lutz  
Rep. Robert Bischoff, Vice-Chairperson  
Rep. Markt Lytle  
Rep. Ronald Liggett  
Rep. Robert Cherry  
Rep. Don Lehe  
Rep. Marlin Stutzman



## INTERIM STUDY COMMITTEE ON AGRICULTURE AND SMALL BUSINESS ISSUES

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Committee

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### MEETING MINUTES<sup>1</sup>

Meeting Date: September 17, 2004  
Meeting Time: 10:30 A.M.  
Meeting Place: State House, 200 W. Washington  
St., the senate chambers  
Meeting City: Indianapolis, Indiana  
Meeting Number: 3

**Members Present:** Sen. Robert Jackman, Chairperson; Sen. Brandt Hershman;  
Sen. Johnny Nugent; Sen. Allie Craycraft; Sen. James Lewis;  
Sen. Larry Lutz; Rep. Robert Bischoff, Vice-Chairperson; Rep.  
Markt Lytle; Rep. Ronald Liggett; Rep. Robert Cherry; Rep. Don  
Lehe.

**Members Absent:** Rep. Marlin Stutzman.

Senator Jackman called the meeting to order at 10:35 a.m.

A. Dog tax.

Auditor of State Connie Nass gave a brief overview of Indiana's dog tax. Auditor Nass noted that the tax was passed in 1937 to provide funds to reimburse farmers for livestock killed by dogs. Because farmers now have insurance, the funds raised by the dog tax are no longer necessary,

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

aside from a \$100,000 portion that goes to Purdue University for veterinary research. In addition, collection of the tax is very inconsistent, with some counties making no effort to collect the dog tax at all.

Senator Jackman distributed the rough draft of a bill to eliminate the state dog tax and replace it with a county option animal companion tax of up to \$5.00 and a \$0.50 dog tax that is to be reported on the state income tax form. Exhibit 1.

#### B. Dog auctions.

Wendy Hoffspiegel of the Animal Advocacy Network of Indiana informed the Committee that she would like for Indiana to adopt comprehensive statewide animal welfare laws, and not simply rely on existing animal cruelty laws. Ms. Hoffspiegel noted that while some cities had adopted animal welfare ordinances, 28 counties in Indiana had no animal control or animal shelter. Exhibit 2. Ms. Hoffspiegel distributed a compilation of current Indiana laws concerning animal welfare (Exhibit 3), a proposed draft of an animal welfare bill (Exhibit 4), and a summary sheet describing what the draft bill included and did not include (Exhibit 5).

In response to Ms. Hoffspiegel's presentation, a member of the Committee recommended that Ms. Hoffspiegel discuss her concept with the Board of Animal Health.

#### C. Horse racing.

Joe Koenig, executive director of the Indiana Department of Gaming Research, gave a presentation on horse racing purses and the riverboat subsidy. Exhibit 6.

In response to questions from Committee members, Mr. Koenig noted that the horse racing industry had suffered a 25%-40% decline in gross revenue, and that this decline tracked the decline in the average daily purse, at least with respect to standardbreds and thoroughbreds.

Dr. Jerry Walker, president of the Indiana Horseracing and Breeding Coalition, noted that an owner must spend between \$12,000 and \$18,000 per year to raise a thoroughbred, but would only receive between \$13,500 and \$15,500 for winning a race in Indiana. Thus, an owner must win more than one race to cover the basic expenses of raising the horse; nationally, only 32% of thoroughbreds win more than one race. Dr. Walker emphasized that the decline in average daily purse amount closely tracked the decline in horse racing revenues: the average daily purse was down approximately one-third since 2002, and horse racing revenues were also down approximately one-third since 2002. The decline in revenue also affects breeders, as the value of horses is directly tied to their ability to earn money. Thus, the average sale price of yearlings has also declined significantly as revenues from horse racing declined; the sale price of many yearlings is now approximately \$1,400 below the cost of breeding and raising the horse for sale.

The Committee discussed various options for funding the horse racing industry and removing the riverboat subsidy by permitting some gaming at horse tracks. Senator Jackman advised the Committee that they would consider specific legislation at the next meeting.

The meeting adjourned at 12:30 p.m.